GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3130
ANSWERED ON:22.03.2002
INCENTIVES TO MACHINE TOOLS PRODUCERS
VILAS BABURAO MUTTEMWAR

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Export-Import Bank of India (EXIM) have in a recently conducted study pointed out that China and Taiwan could pose a serious threat to the domestic machine tool producers unless policy makers offered major incentives to this sector;

(b) whether the study has induced the Government to consider to give necessary incentives to computer numerical control machine tool, plastic processing machines, presses and metal forming equipment, sewing machines etc. so as to enable them to judiciously compete with the countries emerging as major producers;

(c) if so, whether the Government have examined the study report of EXIM; and

(d) if so, the steps taken to provide the necessary incentives to the industry to produce quality tools to complete with the other countries?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) Export Import Bank of India (EXIM) have, in a recently conducted sectoral study, pointed out that while there was no immediate threat to Indian built stand alone NC/CNC machine tools from producers in China and Taiwan, however, the competitive strength of these producers could eventually present a challenge to Indian manufacturers.

(b) to (d): The Government is acutely aware of the challenges posed by a globalizing economy and as reiterated by the Finance Minister in his recent Budget Speech 2002-03, a long term roadmap for macro-economic reforms including tariff/tax regime has been put in place for making the domestic industry, including the machine tools sector, globally competitive.